



Memorandum

TO: Honorable Members of the City Council

FROM: Mayor Gonzales,

Vice Mayor Chavez

Councilmember Campos

Councilmember Williams

AB for Condy
Chavez
Forrest Williams

SUBJECT: Council Agenda Item #6.2: Acceptance of
Staff's Recommendation on the Valley
Transportation Authority Proposed
Measure A Expenditure Plan

DATE: November 28, 2005

Approved

Date

11/28/05

Recommendation

We recommend the official City position on the proposed VTA Measure expenditure plan include all of the recommendations contained in City staff report of October 25, 2005 with the following additions, modifications and/or revisions:

1. That the accelerated construction of BART before 2018 but no sooner than 2015 be *the first* funding priority if and when: a) Measure A and/or revenues from any 2006 tax measure exceed projections; b) new revenue sources are identified; or c) there are Measure A project cost savings.
2. Move the people mover into the initial program, even if it cannot be constructed by 2018. Once in the initial program, Council should authorize the City staff to work with VTA to explore the possibility of using the City's bonding capacity, or possibly other resources, to accelerate the construction schedule on the condition that VTA will re-pay the advanced amount (and interest) within a time frame acceptable to the City. *If this recommendation is adopted, we would not support staff's recommendation to use pavement management funds to construct the people mover.*
3. After the environmental review and community input processes for the Alum Rock-Santa Clara corridor have been completed, amend the expenditure plan before the ¼-cent 2006 tax measure is placed before the voters to include the fully-funded preferred transit mode for this corridor in the initial program with a concurrent VTA commitment to construct the preferred mode consistent with the construction schedule for BART.
4. Advance final design of the Capitol light rail to Eastridge project to be completed by 2008 to have the project shelf ready if savings or additional funds become available to accelerate its construction earlier than 2018.
5. If San Francisco and San Mateo counties have not secured their shares of the Caltrain electrification project by 2016, re-allocate this funding in the expenditure plan to other Measure A projects in the region ready for construction – except BART.

VTA's commitment to incorporate City staff's recommendations and the five modifications included in this memo will:

- maintain a commitment to completing BART, Measure A's most popular project, as soon as possible;
- maintaining a commitment to build an Airport people mover system that will serve the region by supporting the success of BART and facilitating the expansion of the Airport;
- demonstrating a VTA commitment to respect and support the results of the environmental review and community input processes in the Alum Rock-Santa Clara corridor; and
- underscore that completing meritorious projects that will help bring significant benefits (increased ridership, additional housing, related transportation infrastructure improvements, better air quality, etc.) will be top priorities as funding becomes available in future years.

Discussion

The proposed expenditure plan is VTA staff's effort to balance regional project preferences as expressed through VTA Board meetings, workshops and policy advisory committee meetings. However, with a potential three-year delay in completing the BART project, a significant delay in completing the Capitol to Eastridge light rail project and three other regional projects in San José (a light rail option down the Alum Rock-Santa Clara corridor, a fixed guideway connection to the Airport and a light rail extension from the Eastridge Shopping Mall to Nieman) in the "completed" category, we have serious concerns regarding the proposed plan's impacts on regional projects located in Milpitas, Santa Clara, and San José.

Project Merit vs. Regional Equity

We understand the need for regional equity in implementing Measure A. However, we believe the proposed expenditure plan places excessive emphasis on regional equity at the expense of project merit. As City staff points out in their report, using the VTA Board-adopted prioritization criteria, most of the regional projects located in San José scored well with BART, Capitol light rail to Eastridge and the Alum-Rock/Santa Clara corridor ranking as the three top projects of merit. The key purpose of Measure A is build a add transportation infrastructure that addresses the issues identified by Board criteria (congestion relief, ridership, land use, socio-economic equity, project readiness, etc.).

As part of the merit issue, San José continues to lead the region in the construction of housing (both market rate and affordable) to accommodate an ever-growing regional demand for housing. Since 1999, San José has issued building permits for over 23,000 homes. This includes more than 7,000 affordable homes throughout our city. We expect to exceed 10,000 affordable homes by the end of 2006. San José is the region's leader in the production of transit-oriented development. Over 70% of the San José building permits issued since 1999 have been for homes within walking distance to light rail and CalTrain stations, and other transit services. This equates to 16,500 homes, which provides housing for about 50,000 people.

This kind of growth and planning supports the regional economy and requires the kind of transportation infrastructure that projects like BART, light rail to Eastridge, improved transit in the Alum Rock/Santa Clara corridor and the Airport people mover will provide. That is why these projects fared better than many projects in the Measure A program. Yet under the proposed plan, all of these projects will either be delayed or face uncertain funding.

While we understand regional equity needs to be addressed in any expenditure plan, for the aforementioned reasons there clearly needs to be a much better balance between project merit and regional equity. Merit needs to count at least as much as equity. That is not the case in the proposed expenditure plan.

City of San José Priorities in the Expenditure Plan

To address this imbalance, we recommend the official City position on the VTA proposed expenditure plan be to support *all* of City staff's recommendations. In addition to City staff's recommendations, the City's official position should advocate for the following additions and/or modifications:

- 1. That the accelerated construction of BART before 2018 but no sooner than 2015 be *the first* funding priority if and when: a) Measure A and/or revenues from any 2006 tax measure exceed projections; b) new revenue sources are identified; or c) there are Measure A project cost savings.**

Several Leadership Group polls have repeatedly confirmed that BART easily remains the most popular project in the Measure A program with voters and the VTA prioritization criteria ranked this project first. Thus on both merit and popularity, the BART project is clearly the top priority in the Measure A program. Therefore, there must be a clear and strong commitment by the VTA Board to get the project constructed as soon as possible. The proposed expenditure plan *does not* delay BART to 2018 as has been erroneously reported by the press. It states that BART will be constructed *no later than* 2018. What the City of San José needs is a clear and strong commitment from the VTA Board that VTA will make the accelerated construction of BART a first priority as funding opportunities become available in the initial program. This means that any available revenues that exceeded projections, any project savings or any new revenue sources would be first used to accelerate the building of BART up to but not before 2015.

- 2. Move the people mover into the initial program, even if it cannot be constructed by 2018. Once in the initial program, Council should authorize the City staff to work with VTA to explore the possibility of using the City's bonding capacity, or possibly other resources, to accelerate the construction schedule on the condition that VTA will re-pay the advanced amount (and interest) within a time frame acceptable to the City.**

The construction of the people mover is essential to the success of BART and the successful expansion of the Airport. Connecting the Airport with a people mover is clearly a project that will benefit the entire region and scored well in terms of merit using the Board-adopted prioritization criteria. VTA therefore needs to move the people mover project into the initial construction program *even if it cannot be constructed in time for BART's completion*. A shuttle bus service would have to be the interim solution until the project is constructed.

If the VTA Board moves the project into the initial program, Council should authorize City staff to talk with VTA about the possibility of using available City bonding capacity or possibly other resources to accelerate the construction schedule of the people mover. These talks could occur anytime over the next decade. Whether the City will be able to use its bonding capacity to accelerate the construction schedule of the people mover will largely depend on factors that it will take time to determine, such as other City priorities for bond funding and the likely support of potentially key stakeholders for such an arrangement. Depending on how those factors evolve, the City may or may not be in a position to offer bond financing help.

If VTA can place the people mover in the initial program under this recommendation, we *would not support staff's recommendation to look to the pavement management program to fund this project.*

- 3. After the environmental review and community input processes for the Alum Rock-Santa Clara corridor have been completed, amend the expenditure plan before the ¼-cent 2006 tax measure is placed before the voters to include the fully funded preferred transit mode for this corridor in the initial program with a concurrent VTA commitment to construct the preferred mode consistent with the construction schedule for BART.**

Given the large transit-dependent population in east valley (Milpitas and San Jose) providing an improved public transportation link in the Alum Rock-Santa Clara corridor is still an important transportation priority for the City. It has also been a high priority for VTA. In August 2000 the VTA Board approved an investment strategy that included light rail down the Alum Rock/Santa Clara corridor. In September 2000 the Board adopted a resolution designating the Downtown East Valley project as VTA's next priority after the 1996 Measure A+B transportation improvement projects (see Attachment A). Finally, the VTA prioritization criteria ranked this portion of the project third out of the 15 evaluated projects.

After the environmental review and public input processes have been completed for the corridor in 2006, and the preferred mode of transit has been determined, VTA should amend the expenditure plan, before any tax measure is placed before the voters in 2006, to fully fund and include the selected transit mode in the initial program. This means including the mode of transit for the corridor in the initial program even if it means lower priority projects now in the initial program must be moved into the completion program. In addition, consistent with its priority ranking, the project must be constructed on a timetable consistent with the BART project.

- 4. Advance final design of the Capitol light rail to Eastridge project to be completed by 2008 to have the project shelf ready if savings or additional funds become available to accelerate its construction earlier than 2018.**

TOD planning in the Evergreen includes the possibility of high density housing just south of Eastridge shopping center. The planned light rail line to Eastridge will be needed to address the expected traffic impacts from the anticipated significant increase in housing at various sites in Evergreen. Developer infrastructure improvements to Highway 101 are also linked to housing densities in the Evergreen area. The longer it takes to bring light rail to Eastridge, the less likely the highway improvements will occur. This project ranked second using the VTA prioritization criteria. For all of the aforementioned reasons, this project needs to be shelf-ready and VTA needs to actively look for every opportunity to advance this project from its currently projected 2019 completion date.

- 5. If San Francisco and San Mateo counties have not secured their shares of the Caltrain electrification project by 2016, re-allocate this funding in the expenditure plan to other Measure A projects in the region ready for construction – except BART.**

While the Caltrain electrification project is now in the initial program, it was the lowest ranked project based on merit because it provides the fewest benefits for the investment. Currently Santa Clara and San Mateo counties have committed the funding to construct this project. However, San Francisco has not made the commitment to fully fund the project. As was proposed in the Mayor's June 16 memo to the VTA Board, we believe if all three Caltrain partners have not committed to funding this project by 2016 (ten years after the extended Measure A tax begins and sixteen years after the Measure was passed), the Santa Clara funding for this project should be re-allocated to other Measure A projects *throughout* the region that are ready for construction (not just in the Caltrain corridor), except BART.

Conclusion

The expenditure plan should be reviewed annually and updated to respond to changing circumstances, including revenue projections. VTA's commitment to incorporate City staff's recommendations and the five modifications included in this memo will provide a more acceptable balance between project merit and regional equity by:

- maintaining a commitment to completing BART, Measure A's most popular project, as soon as possible;
- maintaining a commitment to build an Airport people mover system that will serve the region by supporting the success of BART and facilitating the expansion of the Airport;
- demonstrating a VTA commitment to respect and support the results of the environmental review and community input processes in the Alum Rock-Santa Clara corridor; and
- underscoring that completing meritorious projects that will help bring significant benefits (increased ridership, additional housing, related transportation infrastructure improvements, etc.) will be top priorities as funding becomes available in future years.

Attachments: as stated

Attachment
A

AG1 A ITEM # 23.X.X.



Date: August 30, 2000
Committee Meeting Date: N/A
Board Meeting Date: September 7, 2000
ACTION X DISCUSSION INFO

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Peter M. Cipolla *P. Cipolla*
General Manager

FROM: James E. Pierson *James E. Pierson*
Director Planning and Development

SUBJECT: Resolution Designating the Downtown/East Valley Transit
Improvement Program as VTA's Next Priority

APPROVED ADOPTED DENIED DEFERRED
Santa Clara Valley Transportation Authority
Board of Directors
Sandra A. Weymouth, Secretary
BY: *Sandra A. Weymouth*
DATE: 9-7-00

RESOLUTION NO. 00.09.58

RECOMMENDATION:

Adopt a resolution designating the Downtown/East Valley Transit Improvement Program as VTA's next priority after the 1996 Measure A + B Transportation Improvement projects.

BACKGROUND:

VTA initiated a Major Investment Study (MIS) for the Downtown/East Valley area of San Jose in early 1999 to identify transportation needs and develop a strategy for investing in VTA's transit system to address those needs. Following a technical evaluation of potential alternatives and an intensive community involvement program, a Preferred Investment Strategy was approved by the VTA Board of Directors on August 3, 2000, which included the following projects:

- Light Rail Transit (LRT) on Santa Clara Street and Alum Rock Avenue from Downtown San Jose to the Capitol LRT line
- LRT on Capitol Expressway from the terminus of the Capitol LRT to Eastridge Mall, with supporting bus feeder service from Evergreen area to Eastridge, and Light Rail Transit (LRT) on Capitol Expressway from Eastside Mall to the Guadalupe LRT line
- Bus Rapid Transit (BRT) on Monterey Highway from Downtown San Jose to the Guadalupe LRT Line (Santa Teresa Station)

These projects are included in the Comprehensive 36-Year Transportation Expenditure Plan approved by the VTA Board on August 29, 2000. The VTP 2020 expenditure plan includes \$800M for Downtown East Valley (Project T01) to cover capital costs for the Preferred Investment Strategy, with \$500M from the 30-year sales tax and \$300M from Federal New Rail Starts. Supplemental funding may be made available from funding identified for VTP 2020 Bus Rapid Transit Corridors. Additional funding for new light rail vehicles is also included in the Transportation Expenditure Plan and funded from the 30-year sales tax.

Attachment: Resolution

Prepared By: Price/Render/Lightbody